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that preference may be given only where that labor is available locally and is qualified to perform the work to which the employment relates.

- (5) Withholding: Sponsor from contractor. Whether or not payments or advances to the [insert sponsor's name] are withheld or suspended by the FAA, the [insert sponsor's name] may withhold or cause to be withheld from the contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics employed by the contractor or any subcontractor on the work the full amount of wages required by this contract.
- (6) Nonpayment of wages. If the contractor or subcontractor fails to pay any laborer or mechanic employed or working on the site of the work any of the wages required by this contract the [insert sponsor's name] may, after written notice to the contractor, take such action as may be necessary to cause the suspension of any further payment or advance of funds until the violations cease.
- (7) FAA inspection and review. The contractor shall allow any authorized representative of the FAA to inspect and review any work or materials used in the performance of this contract.
- (8) Subcontracts. The contractor shall insert in each of his subcontracts the provisions contained in paragraphs [insert designations of 6 paragraphs of contract corresponding to paragraphs (1), (3), (4), (5), (6) and (7) of this paragraph], and also a clause requiring the subcontractors to include these provisions in any lower tier subcontracts which they may enter into, together with a clause requiring this insertion in any further subcontracts that may in turn be made.
- (9) Contract termination. A breach of paragraphs [insert designation of 3 paragraphs corresponding to paragraphs (6), (7) and (8) of this paragraph] may be grounds for termination of the contract.
- (b) Exemption of certain contracts. Appendix H to this part and paragraph (a)(5) of this section do not apply to prime contracts of \$2,000 or less.
- (c) Adjustment in liquidated damages. A contractor or subcontractor who has become liable for liquidated damages

- under paragraph G of appendix H and who claims that the amount administratively determined as liquidated damages under section 104(a) of the Contract Work Hours Standards Act is incorrect or that he violated inadvertently the Contract Work Hours Standards Act notwithstanding the exercise of due care, may—
- (1) If the amount determined is more than \$100, apply to the Administrator for a recommendation to the Secretary of Labor that an appropriate adjustment be made or that he be relieved of liability for such liquidated damages; or
- (2) If the amount determined is \$100 or less, apply to the Administrator for an appropriate adjustment in liquidated damages or for release from liability for the liquidated damages.
- (d) Corrected wage determinations. The Secretary of Labor corrects any wage determination included in any contract under this section whenever the wage determination contains clerical errors. A correction may be made at the Administrator's request or on the initiative of the Secretary of Labor.
- (e) Secretary of Labor's interpretations apply. Where applicable by their terms, the regulations of the Secretary of Labor (29 CFR 5.20-5.32) interpreting the "fringe benefit provisions" of the Davis-Bacon Act apply to the contract provisions in appendix H, and to this secretion.

[Amdt. 151-6, 29 FR 18001, Dec. 18, 1964, as amended by Amdt. 151-7, 30 FR 7484, June 6, 1965]

§ 151.51 Performance of construction work: Sponsor force account.

- (a) Before undertaking any force account construction work, the sponsor (or any public agency acting as agent for the sponsor) must obtain the written consent of the Administrator through the Area Manager. In requesting that consent, the sponsor must submit—
- (1) Adequate plans and specifications showing the nature and extent of the construction work to be performed under that force account:
- (2) A schedule of the proposed construction and of the construction equipment that will be available for the project;

- (3) Assurance that adequate labor, material, equipment, engineering personnel, as well as supervisory and inspection personnel as required by §151.45(f), will be provided; and
- (4) A detailed estimate of the cost of the work, broken down for each class of costs involved, such as labor, materials, rental of equipment, and other pertinent items of cost.

(b) [Reserved]

[Doc. No. 1329, 27 FR 12351, Dec. 13, 1962, as amended by Amdt. 151–17, 31 FR 16525, Dec. 28, 1966; Amdt. 151–31, 34 FR 4885, Mar. 6, 1969]

§ 151.53 Performance of construction work: Labor requirements.

A sponsor who is required to include in a construction contract the labor provisions required by §151.49 shall require the contractor to comply with those provisions and shall cooperate with the FAA in effecting that compliance. For this purpose the sponsor shall—

- (a) Keep, and preserve, for a threeyear period beginning on the date the contract is completed, each affidavit and payroll copy furnished by the contractor, and make those affidavits and copies available to the FAA, upon request, during that period;
- (b) Have each of those affidavits and payrolls examined by its resident engineer (or any other of its employees or agents who are qualified to make the necessary determinations), as soon as possible after receiving it, to the extent necessary to determine whether the contractor is complying with the labor provisions required by §151.49 and particularly with respect to whether the contractor's employees are correctly classified;
- (c) Have investigations made during the performance of work under the contract, to the extent necessary to determine whether the contractor is complying with those labor provisions, particularly with respect to whether the contractor's employees are correctly classified, including in the investigations, interviews with employees and examinations of payroll information at the work site by the sponsor's resident engineer (or any other of its employees or agents who are qualified to make the necessary determinations); and

(d) Keep the Area Manager fully advised of all examinations and investigations made under this section, all determinations made on the basis of those examinations and investigations, and all efforts made to obtain compliance with the labor provisions of the contract.

For the purposes of paragraph (c) of this section, the sponsor shall give priority to complaints of alleged violations, and shall treat as confidential any written or oral statements made by any employee. The sponsor may not disclose an employee's statement to a contractor without the employee's consent.

§ 151.54 Equal employment opportunity requirements: Before July 1, 1968.

In conformity with Executive Order 11246 of September 24, 1965 (30 FR 12319, 3 CFR, 1965 Supp., p. 167) the regulations of the former President's Committee on Equal Employment Opportunity, 41 CFR part 60–1 (28 FR 9812, 11305), as adopted "to the extent not inconsistent with Executive Order 11246" by the Secretary of Labor ("Transfer of Functions," Oct. 19, 1965, 30 FR 13441), are incorporated by reference into subparts B and C of this part as set forth below. They are referred to in this section by section numbers of part 60–1 of title 41.

- (a) Equal employment opportunity requirements. There are hereby incorporated by reference into subparts B and C, as requirements, the provisions of §60–1.3(b)(1). The FAA is primarily responsible for the sponsor's compliance.
- (b) Equal employment opportunity requirements in construction contracts. The sponsor shall cause the "equal opportunity clause" in §60–1.3(b)(1) to be incorporated into all prime contracts and subcontracts as required by §60–1.3(c).
- (c) Reporting requirements for contractors and subcontractors. The sponsor shall cause the filing of compliance reports by contractors and subcontractors as provided in §60–1.6(a) and the furnishing of such other information as may be required under that provision.
- (d) Bidders' reports. (1) The sponsor shall include in his invitations for bids or negotiations for contracts, and shall